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VIA HAND DELIVERY

February 12, 2019

**FILE
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COPY**

Accepted / Filed

FEB 12 2019

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Federal Communications Commission
Office of the Secretary

Attention: Wireline Competition Bureau

**Re: Northeast Nebraska Telephone Company Petition for Waiver of Sections
51.909(a), 51.917(b)(1) and 51.917(b)(7) of the Commission's Rules**

Dear Ms. Dortch:

On behalf of Northeast Nebraska Telephone Company, please find enclosed the Petition for Waiver of Sections 51.909(a), 51.917(b)(1) and 51.917(b)(7) of the Commission's Rules to modify access rate bands and charges and 2011 Base Period Revenue in connection with merger of affiliated study areas in Nebraska.

Inquiries may be directed to the undersigned consultant for Northeast Nebraska Telephone Company.

Sincerely,

John Kuykendall
Vice President
jkuykendall@isitel.com

Enclosures

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9430 Research Blvd., Austin, TX 78759
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February 12, 2019

By Hand Delivery

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Washington, DC 20554

**Re: Request for Confidentiality
Northeast Nebraska Telephone Company Petition for Waiver of Sections
51.909(a), 51.917(b)(1) and 51.917(b)(7) of the Commission's Rules**

Dear Ms. Dortch:

JSI, on behalf of its client, Northeast Nebraska Telephone Company ("Company"), hereby requests, pursuant to Section 0.459 of the Commission's rules,¹ withholding from public inspection of the above referenced document. The Company provides the following in support of its request, numbered consistent with the subparagraphs of Section 0.459(b).²

1. The information for which the Company is seeking confidential treatment is switched access revenue information contained in the Petition for Waiver and switched access revenue, cost, demand, access line and eligible recovery details contained in Exhibits A and B of the Petition.
2. The Company is submitting the Petition for Waiver in order to implement the planned merger of two commonly-owned study areas. The Petition for Waiver is required to ensure compliance with FCC rules governing modification of access rate bands and charges and 2011 Base Period Revenue.³
3. The switched access revenue, cost, demand, access line and eligible recovery details in the Petition for Waiver for which the Company seeks the withholding from public inspection is confidential and proprietary financial data.
4. With respect to identifying the degree to which the Company's financial information concerns a service that is subject to competition, this type of information is highly sensitive and its public disclosure would place the Company at a competitive disadvantage in the telecommunications marketplace.

¹ 47 C.F.R. § 0.459.

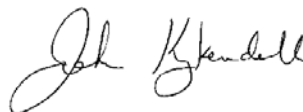
² 47 C.F.R. § 0.459(b)(1) through (9).

³ 47 C.F.R. § 51.909(a), § 51.917(b)(1) and (b)(7)

5. With respect to identifying possible exposure to competitive harm, this information is provided on a study area-specific basis and could have economic value to potential competitors as it may provide competitors insight into the Company's market strategies and gain competitive advantage.
6. With respect to steps the Company has taken to ensure against unauthorized disclosure of its financial information, this information is maintained confidentially by the Company and is not available through any source other than the Company or its authorized agents.
7. The Company's financial information is not available to the public and has not been previously disclosed.
8. The Company requests the financial information be treated as confidential indefinitely. Because of the sensitive nature of the data, it would not be appropriate for public disclosure at any time in the foreseeable future.
9. The Commission has previously found that this type of information warrants protection under Protective Order for annual access tariff filings in which similar financial data is provided.⁴

Based on the preceding, JSI respectfully requests on behalf of the Company that the Commission grant confidential treatment under Section 0.459 to the financial data contained in the Company's Petition for Waiver and Exhibits. The Petition for Waiver is appropriately marked "Confidential-Not for Public Disclosure". Please contact the undersigned with any questions regarding this request.

Sincerely,



John Kuykendall
Vice President
301-459-7590
jkuykendall@jsitel.com

⁴ See *Announcing Procedures for Obtaining Confidential Information for 2018 Annual Access Charge Tariff Filings and Corrections to TRP Spreadsheets*, WC Docket No. 18-100, Public Notice DA 18-578, rel. June 4, 2018.

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)
)
Northeast Nebraska Telephone Company)
)
Petition for Waiver of Sections 51.909(a),)
51.917(b)(1) and 51.917(b)(7) of the Commission's)
Rules to modify access rate bands and charges,)
and 2011 Base Period Revenue in connection with)
merger of affiliated study areas in Nebraska.)

**PETITION FOR WAIVER
OF PART 51 ACCESS CHARGE AND CONNECT AMERICA FUND-
INTERCARRIER COMPENSATION CALCULATIONS**

Pursuant to Section 1.3 of the rules of the Federal Communications Commission ("FCC" or "Commission"),¹ Northeast Nebraska Telephone Company, ("Northeast", or "Petitioner") hereby requests a waiver of the Commission's Section 51.909(a) rules to recalculate the rate bands and charges for local switching, tandem switching and dedicated transport services for two commonly-owned study areas in the same state—Northeast and Clarks Telecommunications Co. ("Clarks").² Petitioner also seeks waiver of Sections 51.917(b)(1) and 51.917(b)(7) of the rules to recalculate for the same combined study areas the 2011 Interstate Switched Access Revenue Requirement and 2011 Rate-of-Return Carrier Base Period Revenue necessary to determine Connect America Fund-Intercarrier Compensation ("CAF-ICC") support.³ Grant of the requested

¹ 47 C.F.R. § 1.3.

² 47 C.F.R. § 51.909(a).

³ 47 C.F.R. § 51.917(b)(1) and (b)(7).

waiver will allow Petitioner to implement the planned December 31, 2019 merger of the Clarks study area into the Northeast study area.

I. INTRODUCTION AND SUMMARY

Northeast, a Nebraska non-profit corporation, is a telephone cooperative operating as a rate-of-return incumbent local exchange carrier (“ILEC”) in eastern Nebraska with approximately 5,369 voice access lines in study area 371576, comprised of the following exchanges: Long Pine, Butte, Spencer, Stuart, Clearwater, Bartlett, Linwood/Morse Bluff, Dixon/Concord, Obert/Maskell, Newcastle, Martinsburg, Jackson/Hubbard, Allen, Waterbury, Weston, Craig, Decatur, Prague, Coleridge, Winside, and Bristow. Clarks is a Nebraska rate-of-return ILEC corporation, Study Area Code 371531, which operates approximately 612 voice access lines in the Clarks, Staplehurst, and Ulysses exchanges located in eastern Nebraska. Both Northeast and Clarks are cost companies receiving legacy support.

Clarks was acquired by Northeast as a wholly-owned subsidiary corporation in June 2007, and the two entities have operated as separate legal entities since that time. However, Northeast plans to merge the Clarks corporation into the Northeast cooperative entity effective December 31, 2019. To allow Northeast the efficiency of managing switched access and CAF-ICC compliance for a single study area, Northeast will merge the Clarks study area 371531 into the Northeast study area 371576 effective December 31, 2019.⁴ However, as shown below, Northeast and Clarks are in differing rate bands

⁴ Subsequent to grant of the requested waiver, Northeast will file with the FCC Wireline Competition Bureau a letter notification of the planned merger of commonly-owned study areas within the state of Nebraska pursuant to FCC precedent.

for certain switched access services in the National Exchange Carrier Association (“NECA”) Tariff F.C.C. No. 5.

	Local Switching	Local Transport	Tandem Switched Transport
Northeast Nebraska Tel SAC 371576	Rate Band 6	Rate Band 11	Rate Band 2
Clarks Telecommunications SAC 371531	Rate Band 8	Rate Band 11	Rate Band 1

Therefore, Petitioner seeks waiver of Section 51.909(a) of FCC rules in order to establish consolidated rate bands and access rates for the merged study area 371576. In addition, Petitioner seeks waiver of Section 51.917(b)(1) to combine the 2011 Interstate Access Switched Access Revenue Requirements for the combined study areas into a consolidated 2011 Interstate Access Switched Access Revenue Requirement, and waiver of Section 51.917(b)(7) to combine the 2011 Rate-of-Return Base Period Revenues for the combined study areas into a single 2011 Rate-of-Return Base Period Revenue amount for the merged study area.

II. WAIVER STANDARD

In general, the FCC’s rules may be waived for good cause shown.⁵ Waiver is appropriate where the “particular facts would make strict compliance inconsistent with

⁵ 47 C.F.R. § 1.3.

the public interest.”⁶ The FCC may grant a waiver of its rules where the requested relief would not undermine the policy objective of the rule in question, special circumstances warrant a deviation from the general rule, and such deviation will serve the public interest.⁷

III. WAIVER IS JUSTIFIED

A. Merger of Northeast and Clarks Study Areas is in the Public Interest

The planned merger of the Northeast and Clarks study areas is consistent with Commission policy encouraging consolidation of commonly owned study areas in the same state.⁸ Further, Commission precedent supports grant of petitions seeking waiver of Sections 51.909(a), 51.917(b)(1) and 51.917(b)(7) in the context of merging commonly-owned study areas within a state.⁹ The public interest is served by the increased

⁶ See *AT&T Wireless Services, Inc. et al. v. Federal Communications Commission*, No. 00-1304 (D.C. Cir. 2001), citing *Northeast Cellular Tel. Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990) (“*Northeast Cellular*”).

⁷ See generally, *WAIT Radio v. FCC*, 418 F.2d 1153 (D.C. Cir. 1969), *cert. denied*, 409 U.S. 1027 (1972); see also *Northeast Cellular* (D.C. Cir. 1990).

⁸ See *In the Matter of American Samoa Government and the American Samoa Telecommunications Authority Petition for Waivers and Declaratory Rulings to Enable American Samoa to Participate in the Universal Service High Cost Support Program and the National Exchange Carrier Association Pools and Tariffs*, CC Docket No. 96-45, AAD/USB File No. 98-41, Order DA 99-1131, rel. June 9, 1999, para. 10.

⁹ See *In the Matter of Connect America Fund*, WC Docket No. 10-90, *Developing a Unified Intercarrier Compensation Regime*, CC Docket No. 01-92, *Petition of Butler-Bremer Mutual Telephone Company, Inc. for a Waiver of Sections 51.909(a), 51.917(b)(1), and 51.917(b)(7) of the Commission’s Rules to modify access rate bands and charges, and 2011 Switched Access Revenue in connection with merger of affiliated Study areas in Iowa*, WC Docket No. 15-118, *Petition of Panora Communications Cooperative and Prairie Telephone Company, Inc. for Waiver of Sections 51.909(a), 51.917(b)(1), 51.917(b)(2), and 51.917(b)(7) of the Commission’s Rules to modify access rate bands and charges, and 2011 Switched Access Revenue Requirement and 2011 Base Period Revenue in connection with study area waivers in Iowa*, WC Docket No. 15-166, Order, DA 18-107, rel. Feb. 5, 2018. See also *In the Matter of Connect America Fund*, WC Docket No. 10-90, *Developing a Unified Intercarrier Compensation Regime*, CC Docket No. 01-92, *Telapex, Inc. Petition for Waiver of Sections 51.909(a), 51.917(b)(1) and 51.917(b)(7) of the Commission’s Rules to modify access rate bands and charges, and 2011 Base Period Revenue in connection with merger of affiliated study areas in Mississippi*, WC Docket No. 17-252, *Venture Communications Cooperative Petition for Waiver of Sections 51.909(a), 51.917(b)(1) and 51.917(b)(7) of the Commission’s Rules to*

administrative and operational efficiencies gained by consolidating these study areas. The resulting cost savings will permit greater resources for network investment which will ultimately benefit Petitioner's customers. Grant of the requested waiver prior to the planned December 31, 2019 merger will allow Northeast to fully realize the benefits from the synergies achieved in consolidating to a single operating company.

B. Impact of Switched Access Rate Band Consolidation is Minimal

As indicated at Exhibit A, the consolidation would not result in significant rate band changes as proposed for switched access rate elements. While revenues will increase in some instances and decrease in others, the overall impact on switched access revenue is minimal. As the Wireline Competition Bureau has found in granting similar waiver petitions, these minimal differences are "more than offset by the public interest benefits resulting from efficiencies gained from implementation of the mergers."¹⁰ Based on the internal estimates, the company expects a net increase of approximately [REDACTED] annually, which represents about 1.9% of total projected billed revenues of [REDACTED] shown on Exhibit B.

C. Recalculation of 2011 Interstate Switched Access Revenue Requirement and Base Period Revenue Will Not Adversely Impact CAF-ICC

Exhibit B provides a summary of the expected CAF-ICC support as calculated by NECA, and reflects combined data for the Northeast and Clarks study areas. Access Recovery Charges will remain unchanged and therefore will have no impact on CAF-ICC or on end users. As described above, the company expects an increase of switched access

modify access rate bands and charges, and 2011 Base Period Revenue in connection with merger of affiliated study areas in South Dakota, WC Docket No. 17-323, Order, DA 18-1243, rel. Dec. 11, 2018 ("Franklin-Delta & Venture Merger Order").

¹⁰ See, *Franklin-Delta & Venture Merger Order* at para. 11.


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revenue of approximately [REDACTED] per year, which will be billed to interexchange carriers and a reduction of CAF-ICC support. NECA projections indicate that the combined entity would receive [REDACTED] of CAF-ICC support, absent any changes to switched access rates, and as such, this change would represent a very small 0.4% decrease in CAF-ICC for the test period.

IV. Conclusion

As demonstrated herein, "good cause" exists for grant of this waiver. Petitioners respectfully request the Commission act expeditiously to grant waiver of Section 51.909(a), 51.917(b)(1) and 51.917((b)(7) of the rules in order that the Northeast and Clark study area merger may be implemented December 31, 2019.

Respectfully Submitted,



By: Patrick McElroy, General Manager
NORTHEAST NEBRASKA TELEPHONE COMPANY
110 East Elk Street
Jackson, Nebraska 68743

Feb. 11, 2019

EXHIBIT A

Rate Band Placement

Local Switching

sar_id	sar_abbr	LSRRQ2011-2012	LS Cost per Minute	LS Band	Forecasted Minutes
371531	CLARKS TELECOM CO.			8	
371576	NORTHEAST NEBRASKA			6	
Merged	NORTHEAST NEBRASKA			7	

Test Period 2011-2012 (interstate frozen baseline) is from July 1, 2011 through June 30, 2012.

All Local Switching RRQ, Forecasted Minutes and Rate Band placements are from NECA's 2011 Annual Filing.

Tandem Switching

sar_id	sar_abbr	RRQ	Revenue	Retention Ratio	TST Band
371531	CLARKS TELECOM CO.			0.17030	1
371576	NORTHEAST NEBRASKA			1.51089	2
Merged	NORTHEAST NEBRASKA			1.41522	2

Dedicated Transport 201112

sar_id	sar_abbr	SP_RRQ	SP_Revenue	Retention Ratio	SP Band
371531	CLARKS TELECOM CO.			5.04543	11
371576	NORTHEAST NEBRASKA			5.04282	11
Merged	NORTHEAST NEBRASKA			5.04318	11

Dedicated transport rate band is the same as the Special Access rate band for the test period July 1, 2011 through June 30, 2012

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EXHIBIT B

Test Period 2018/2019 (Data are based on input provided by company in the CAF ICC Data Collection)

Interstate												
sarid	RRQ	CurrentEORate	Proposed EORate	CurrentCompRate	Projected Min	ProCuren tRev	TermLSMin	TermRevCurrent	TermRevProj	Projected Rev	Allocated Rev	InterER
371531		\$0.003567	\$0.002133	\$0.041993								
371576		\$0.003567	\$0.002133	\$0.029465								
Merged		\$0.003567	\$0.002133	\$0.030130								
Intrastate												
sarid	YR1ActualRev	RRQ	TPForecastedMin	TPExpRev	TPIntrastateER							
371531												
371576												
Merged												
CMRS												
sarid	YR1_NetRecipCompRev	TP_NetExpRecipCompRe	RRQ	CMRS_ER								
371531												
371576												
Merged												
Non_CMRS												
sarid	YR1_NetRecipCompRev	TP_NetExpRecipCompRe	RRQ	CMRS_ER								
371531												
371576												
Merged												
Exogenous Costs												
sarid	TRS_Increment	Reg_Fees_Increment	NANPA_Increment	Total								
371531												
371576												
Merged												
Residential ARC												
sarid	SAR_ABBR	ExchangeName	Res Lines	Res_ARC Rev	ResARCRate							
371531	CLARKS TELECOM CO.	Clarks			\$1.10							
371531	CLARKS TELECOM CO.	Staplehurst		\$0.00								
371531	CLARKS TELECOM CO.	Ulysses		\$1.10								
371576	NORTHEAST NEBRASKA	Allen		\$0.57								
371576	NORTHEAST NEBRASKA	Bartlett		\$1.10								
371576	NORTHEAST NEBRASKA	Bristow		\$0.30								
371576	NORTHEAST NEBRASKA	Butte		\$0.30								
371576	NORTHEAST NEBRASKA	Clearwater		\$1.10								
371576	NORTHEAST NEBRASKA	Coleridge		\$1.10								
371576	NORTHEAST NEBRASKA	Craig		\$1.10								
371576	NORTHEAST NEBRASKA	Decatur		\$0.30								
371576	NORTHEAST NEBRASKA	Dixon & Concord		\$1.10								
371576	NORTHEAST NEBRASKA	Jackson & Hubbard		\$1.10								
371576	NORTHEAST NEBRASKA	Linwood & Morse Bluff		\$1.10								
371576	NORTHEAST NEBRASKA	Long Pine		\$0.57								
371576	NORTHEAST NEBRASKA	Martinsburg		\$1.10								
371576	NORTHEAST NEBRASKA	Newcastle		\$1.10								
371576	NORTHEAST NEBRASKA	North Bristow		\$1.35								
371576	NORTHEAST NEBRASKA	Obert & Maskell		\$1.10								
371576	NORTHEAST NEBRASKA	Prague		\$1.10								
371576	NORTHEAST NEBRASKA	Spencer		\$0.03								
371576	NORTHEAST NEBRASKA	Stuart		\$0.30								
371576	NORTHEAST NEBRASKA	Waterbury		\$0.57								
371576	NORTHEAST NEBRASKA	Weston & Malmo		\$1.10								
371576	NORTHEAST NEBRASKA	Winside		\$1.10								

ARC Rate and Revenue

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sarid	SAR_ABBR	Res Lines	SLB Lines	MLB Lines	Res_ARC Rev	SLB_ARC Rev	MLB_ARC Rev	Total ARC Rev	SLBARCRate	MLBARC Rate
371531	CLARKS TELECOM CO.									\$3
371576	NORTHEAST NEBRASKA									\$3
Merged	NORTHEAST NEBRASKA									\$3

Net Impact of True-Up, Pre and Post Eligible Recovery and CAFICC Support

sarid	ER_pretrueup	RESARC_pretrueup	SLBARC_pretrueup	MLBARC_pretrueup	TotalARC_pretrueup	CAFICC_pretrueup	NetImpact_trueup	ER	RESARC	SLBARC	MLBARC	TotalARC Rev	CAFICC
371531													
371576													
Merged													

Revised CAF ICC Support Reduced by Imputed ARC Revenues on Broadband-only Lines

sarid	CAFICC	Broadband-only Lines	Imputed ARC	Revised CAF ICC
371531				
371576				
Merged				